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Testimony of Mike King, Executive Director Colorado Department of Natural Resources

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Governor

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Mr. Chairman and members of the committee, I appreciate the opportunity to speak to you about a critically important issue in Colorado, the health of our forests. My testimony today will cover a range of forest health challenges we face, as well as some innovative solutions underway in the state. Following a devastating fire season in 2012, Colorado has undergone extensive recovery efforts and I will provide a summary of that work. I will also speak briefly to the role and importance of federal authorities in helping us improve the health of our state's forest resources.

Forest Health

The problem of forest health is compounded by the bark beetle epidemic across Colorado, one that has left us with millions of acres of dead and dying trees. Markets for these trees are weak or non-existent, making it prohibitively expensive to treat all the areas that need attention. Drought has intensified the fire-prone condition of our forests. These challenges facing Colorado and many western states are being addressed with active forest management. Our state has a range of efforts underway designed to help restore forest health while simultaneously revitalizing our forest products industry.

Innovative Solutions in Colorado

After the devastating 2010 Fourmile Canyon Fire, Sen. Udall requested a thorough assessment of the incident from the Rocky Mountain Research Station. We appreciate the Senator's leadership, and the report (Gen. Tech. Rep. RMRS-GTR-289; July 2012) included some revealing conclusions. One of the most interesting findings was that while several fuels treatment projects had been conducted within the

area that eventually burned, many of those treatments failed to protect homes. Those projects had been focused on improving the health of the forest, developing safe travel corridors, and creating wildfire defensible zones using a shaded fuel break near homes and communities. However, surface debris from the treatments had not been removed in many instances either physically or by prescribed fire. Thus, the efficacy of the fuel treatments was very limited. This finding underscores the challenges associated with funding shortages; while clearing timber is important, removing the material is an expensive – and critical – piece of the strategy. However, the results did show that if property owners both removed excess trees and surface vegetation, their chances of protecting their homes was improved, which suggests that we need to do better about encouraging defensible space around homes and communities.

With the importance of woody biomass removal in mind, Colorado has consistently advocated for forest treatments that include utilization of the product. Governor Hickenlooper recently co-authored a Western Governors Association letter with Gov. Herbert to Sec. Vilsack (April 16, 2013), indicating Colorado's support for the U.S. Forest Service Restoration Strategy; the goals of that strategy include developing more efficient ways of doing business that support the forest products industry. That approach can be challenging when so much of the product is low value, and Colorado has long struggled with that policy challenge. However, a number of innovative strategies are underway.

■ Biomass Energy

Another way to encourage the removal of woody biomass is to provide incentives for the private sector. Using the wood to create traditional forest products is one avenue. More recently, Colorado (and several other states) has begun to explore the viability of using the wood as an energy source. Colorado's 2011 Forest Health Act (SB11-267) created a Biomass Task Force, tasked with researching the barriers to the development of such an industry and making recommendations for overcoming those barriers. The report recommended that Colorado increase its use of woody biomass as a tool to help reduce hazardous fuels. Lower value material could thereby find an efficient use through removal and conversion to thermal energy.

Already, small businesses in biomass energy have come on line in Colorado, and there are additional efforts underway. We are closely following the early innovators, and will learn from them. It is our hope that elements of those early projects will ultimately be replicated around the state, providing us with another tool in the toolbox.

■ Enhanced Role for Collaborative Groups

Colorado has a rich environment of grassroots initiative and cooperation that fosters gatherings of people from differing backgrounds and interests coming together to address forest issues in specific geographic locations through collaborative approaches. Although there is a current national trend of citizens organizing collaborative groups to work together to address complex issues facing forests on public and private lands at the local and regional levels, Colorado has a long tradition of successful collaborative problem solving spanning nearly thirty years. There are twenty identified place-based forest collaboratives of all sizes, organizational structures, missions and operational philosophies active

in Colorado and at least three new collaboratives are being formed. Because of this rich environment of collaboration, Colorado became the only state to receive multiple awards when it got two highly competitive USDA Collaborative Forest Landscape Restoration Program grants in 2010.

■ Competitive Grants

Another way to influence the tight economics around the removal of fuels is for state government to step in with closely targeted financial assistance. Since 2009, Colorado has benefited from an annual program authorized at \$2.5 million that provides a series of competitive grants for forest health projects. The program has been so successful that the General Assembly re-authorized it with full funding in the 2012 legislative session. Funds are allocated on a cost-share basis, prioritizing collaboration, protection of communities and water supplies, use of forest products and scientifically-based ecological restoration. Grantees are encouraged to work with our youth to implement those projects on the ground.

This year, the General Assembly is poised to approve a related measure, bringing \$10 million of new dollars to bear on the forest health challenges facing the state. The new competitive grant program will be restricted to use on state and private lands, and will include a 100% match requirement. As a result, we anticipate \$20 million of woody material to become available for use in traditional forest products or through biomass energy projects. Applicants are required to identify the utilization plans for whatever material will be generated through their hazardous fuels reduction program.

Recovery From 2012 Wildfires

As the Committee is likely aware, Colorado had an intense fire season in 2012. It started uncharacteristically early and led to a great deal of damage. The Lower North Fork, the High Park, and the Waldo Canyon fires all occurred along the highly populated metropolitan corridor from north of Fort Collins down south to Colorado Springs. Collectively, those fires resulted in six fatalities, scorched 110,368 acres, and destroyed 744 structures.

Recovery efforts began before the fire season was over last summer, and has continued. Federal support in the form of increased funding for the Emergency Watershed Protection program was recently included in the Continuing Resolution for the FY13 federal budget, and will be instrumental in helping our local governments. Nearly \$20 million is expected to come to the state as a result of this measure, and treatments will include mulching, seeding, channel stabilization, and contour tree felling. However, with so many resource values in need of attention – water quality, erosion, road corridors, revegetation – even this robust federal support is insufficient to meet the need completely.

Local governments began meeting a few months ago to coordinate their fire recovery efforts, share information about funding, and learn from each other's experiences. As a part of those conversations, entities that have been engaged in the range of recovery activities have tracked those expenditures. To date, state and local public funds spent on recovery from the Waldo Canyon fire in Colorado Springs has totaled \$10.5 million; recovery from the High Park fire in Fort Collins has totaled \$9 million. Those funds don't include the millions that were lost in private property and insurance claims. It is with the scale of

this damage in mind that Colorado has worked to elevate forest health and wildfire risk reduction to the highest policy levels.

Federal Role

Authorities

Governor Hickenlooper, in sync with other Western Governors, has identified two federal authorities that have played a key role in Colorado as we work to find a private market for forest products, enhance the health of our forests, and reduce the risk from wildfire. Those provisions are Stewardship Contracting and Good Neighbor Authority.

Stewardship Contracting allows the USFS to focus on goods (trees and other woody biomass) for services (removal of this material), and helps the agency make forest treatment projects more economical. Individuals who seek to build a business that requires a reliable supply of timber have consistently reported that long term Stewardship Contracts provide them with the security they need to secure investments. We support permanent authorization for stewardship contracting.

Good Neighbor Authority allows states, including our own Colorado State Forest Service, to perform forest treatments on national forest land when they are treating neighboring non-federal land. This landscape-scale approach is essential for achieving landscape-scale forest health. Fires don't respect ownership boundaries. We support permanent authorization for Good Neighbor Authority.

Fire Suppression

Early response to wildfires is essential to ensure public safety, reduce costs, and minimize damage to natural resources. Western Governors have repeatedly noted their concern with the ongoing pattern whereby land management agencies exhaust the funds available for firefighting and are forced to redirect monies from other programs, including, ironically, fire mitigation work. Raiding the budgets for recreation in order to pay for fire suppression presents a significant problem in Colorado, where our outdoor recreation opportunities on public land are unparalleled. We support minimizing fire transfer within the federal land management agencies, and more fully funding existing suppression accounts.

Conclusion

Colorado is facing a host of challenges when it comes to managing our forest resources and reducing the risk of wildfire to homes and communities. The strength of our place-based collaborative groups allows them to partner with land management agencies to leverage scarce resources. Innovative small businesses have begun to emerge in the state, seeking to make creative use of woody biomass. But Colorado needs help. As described here, permanently authorizing provisions that help our efforts is an essential step. We look forward to working with this committee in whatever way is useful.

Thank you for your ongoing interest in and passion for these issues.